

Waveland Capital Partner, LLC
Report Pursuant to Rule 17a-5
Financial Statements
For the Year Ended December 31, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-048962

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING January 1, 2016 AND ENDING December 31, 2016
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Waveland Capital Partners
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
19800 MacArthur Blvd., Suite 650

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Irvine

California

92612

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael Greer

914-706-5000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Breard & Associates, Inc., Certified Public Accountants

(Name - if individual, state last, first, middle name)

9221 Corbin Avenue, Suite 170

Northridge

CA

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒

Certified Public Accountant

☐

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Michael Greer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Waveland Capital Partners, LLC, as of December 31, 202016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

Subscribed and sworn to (or affirmed) before me on this 27th day of February, 2017 by Michael J. Greer proved to me on the basis of satisfactory evidences to be the person who appeared before me.

Notary Public Janet A. Osborne





Report of Independent Registered Public Accounting Firm

Board of Directors
Waveland Capital Partners, LLC:

We have audited the accompanying statement of financial condition of Waveland Capital Partners, LLC (the Company) as of December 31, 2016, and the related statements of operations, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waveland Capital Partners, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

The Information contained in Schedules I, II and III ("Supplementary Information") has been subjected to audit procedures performed in conjunction with the audit of Waveland Capital Partners, LLC's financial statements. The Supplementary Information is the responsibility of Waveland Capital Partners, LLC's management. Our audit procedures included determining whether the Supplementary Information reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the Supplementary Information. In forming our opinion on the Supplementary Information, we evaluated whether the Supplementary Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements as a whole.

Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
February 22, 2017

Waveland Capital Partners, LLC
Statement of Financial Condition
December 31, 2016

Assets

Cash and cash equivalents	\$ 145,716
Commission receivable	7,531
Prepaid expense	1,768
Investments	<u>1,002</u>
Total assets	<u>\$ 156,018</u>

Liabilities and Member's Equity

Liabilities

Accounts payable and accrued expenses	\$ 3,985
Accrued Expenses	<u>53,763</u>
Total liabilities	57,748

Member's equity

Member's equity	<u>98,269</u>
Total member's equity	<u>98,269</u>
Total liabilities and member's equity	<u>\$ 156,018</u>

The accompany notes are an integral part of these financial statements

Waveland Capital Partners, LLC
Statement of Operations
For the Year Ended December 31, 2016

Revenues

Fee revenue	\$ 215,534
Other income	<u>625</u>
Total revenues	216,159

Expenses

Employee compensation and benefits	786,924
Occupancy expense	55,115
Professional fees	83,150
Licenses and Permits	20,177
Other operating expenses	<u>30,018</u>
Total expenses	<u>975,384</u>
Net loss before income tax provision	(759,225)
Income tax provision	<u>3,600</u>
Net loss	<u><u>\$ (762,825)</u></u>

The accompany notes are an integral part of these financial statements

Waveland Capital Partners, LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2016

	<u>Member's Equity</u>
Balance at December 31, 2015	\$ 161,094
Member's contributions	700,000
Net income (loss)	<u>(762,825)</u>
Balance at December 31, 2016	<u><u>\$ 98,269</u></u>

The accompany notes are an integral part of these financial statements

Waveland Capital Partners, LLC
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash flow from operating activities:

Net income (loss)		\$ (762,825)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in assets:		
Commission receivable	\$ 76,563	
Prepaid expense	388	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	47,720	
Total adjustments		<u>124,671</u>

Net cash and cash equivalents provided by (used in) operating activities (638,154)

Investing activities:

Investments	<u>(1,002)</u>
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Net cash and cash equivalents provided by (used in) investment activities (1,002)

Cash flow from financing activities:

Member's contributions	\$ 700,000	
Net cash and cash equivalents provided by (used in) operating activities		<u>700,000</u>

Net increase (decrease) in cash and cash equivalents	60,844
Cash and cash equivalent at beginning of year	84,872
Cash and cash equivalent at end of year	<u><u>\$ 145,716</u></u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ 3,600

Waveland Capital Partners, LLC
Notes to Financial Statements
December 31, 2016

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Waveland Capital Partners, LLC ("the Company") was organized on August 8, 1995 under the name Mercer Global Securities, LLC. In September 2001 the Company was sold to United Equity Holdings, LLC who changed its name to Waveland Securities, LLC. On March 28, 2005, Waveland Securities, LLC changed its name to Waveland Capital Partners, LLC. The Company is a registered broker/dealer in securities under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

The Company is a wholly-owned subsidiary of Waveland Capital Group (the "Parent"), and is affiliated through common ownership with Waveland Management Group.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company no longer conducts any trading activities. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

The Company serves as the Managing Broker Dealer for Regulation D Offerings from affiliate entities.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Commissions receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Accounts receivable are stated at net realizable value through the direct write-off method.

The Company receives fees in accordance with terms stipulated in its engagement contracts. Fees are recognized as earned. The Company also receives success fees when transactions are completed. Success fees are recognized when earned, the Company has no further continuing obligations, and collection is reasonably assured.

Waveland Capital Partners, LLC
Notes to Financial Statements
December 31, 2016

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Securities transactions are recorded on a deposit date basis with related commission income and expenses also recorded on a deposit date basis.

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the Parent. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 22, 2017, which is the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

Note 2: INCOME TAXES

The Company is treated as a disregarded entity for federal income tax purposes, in accordance with single member limited liability company rules. All tax effects of the Company's income or loss are passed through to the Parent. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements.

The Company is subject to a limited liability company gross receipts tax, with a minimum franchise tax. As of December 31, 2016, the income tax provision consists of the following:

Waveland Capital Partners, LLC

Notes to Financial Statements

December 31, 2016

Note 2: INCOME TAXES

(Continued)

State taxes	\$ 1,100
Gross receipts tax	<u>2,500</u>
Total income tax provision	<u>\$ 3,600</u>

The Company is required to file income tax returns in both federal and state tax jurisdictions. The Company's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. For federal purposes, the statute of limitations is three years. Accordingly, the company is no longer subject to examination of federal returns filed more than three years prior to the date of these financial statements. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of December 31, 2016, the IRS has not proposed any adjustment to the Company's tax position.

Note 3: LITIGATION

In 2011, a claim was filed against the Company and its parent on behalf of certain investors in DBSI Private Actions Trust sponsored real estate securities sold through the Company. In 2012 the Company joined several other broker-dealers in filing various motions to dismiss including failure to state a claim, lack of standing and lack of subject matter jurisdiction. As of the date of this report the Court has yet to rule on any motion, The Company intends to vigorously defend itself and assert all applicable defenses on this case.

Waveland Capital Partners, LLC
Notes to Financial Statements
December 31, 2016

Note 4: RELATED PARTY TRANSACTIONS

The Company conducts certain related party transactions with the Parent, WMG and other related entities. During the year ended December 31, 2016, the Company was charged \$739,180 in allocated expenses by WMG, which serves as an administrative cost center. These reimbursements are made in accordance with an expense reimbursement agreement. Included in those charges are the services, and related payroll costs, of administrative staff for the Company. Also included are rent allocation expenses totaling \$32,615 for the year ended December 31, 2016.

For the year ended December 31, 2016, approximately 12 percent of fee revenues earned by the Company were related to securities transactions introduced on behalf of the Parent. It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

Note 5: COMMITMENT AND CONTINGENCIES

The Company had no commitments, no contingent liabilities and had not been named as a defendant in any lawsuit at December 31, 2016 or during the year then ended.

Note 6: GUARANTEES

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The company has issued no guarantees at December 31, 2016 or during the year then ended.

Waveland Capital Partners, LLC
Notes to Financial Statements
December 31, 2016

Note 7: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs")

Company management has reviewed the accounting standards updates issued by the FASB that were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year ending December 31, 2016. Based upon this review, the Company has implemented the pronouncements that require adoption (if any) and disclosed them in an appropriate footnote. They have also concluded that the remaining pronouncements have either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

Note 8: NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2016, the Company had net capital of \$87,968 which was \$82,968 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$57,748) to net capital was .66 to 1, which is less than the 15 to 1 maximum allowed.

Waveland Capital Partners, LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2016

Computation of net capital

Member's equity	\$ <u>98,269</u>	
Total member's equity		\$ 98,269
Less: Non-allowable assets		
Commission Receivable	(7,531)	
Investments	(1,002)	
Prepaid expense	<u>(1,768)</u>	
Total non-allowable assets		<u>(10,301)</u>
Net capital		87,968

Computation of net capital requirements

Minimum net capital requirements	
6 2/3 percent of net aggregate indebtedness	\$ 3,850
Minimum dollar net capital required	<u>\$ 5,000</u>

Net capital required (greater of above) (5,000)

Excess net capital \$ 82,968

Ratio of aggregate indebtedness to net capital 0.66 : 1

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2016.

See independent auditor's report

Waveland Capital Partners, LLC
Schedule II - Computation for Determining of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2016

A computation of reserve requirements is not applicable to Waveland Capital Partners, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditor's report

Waveland Capital Partners, LLC
Schedule III - Information Relating to Possession or Control
Requirements Pursuant to Rule 15c3-3
As of December 31, 2016

Information relating to possession or control requirements is not applicable to Waveland Capital Partners, LLC as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditor's report

Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included In the accompanying Assertions Regarding Exemption Provisions, in which (1) Waveland Capital Partners, LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Waveland Capital Partners, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) Waveland Capital Partners, LLC stated that Waveland Capital Partners, LLC met the identified exemption provisions throughout the year ended December 31, 2016, without exception. Waveland Capital Partners, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Waveland Capital Partners, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
February 22, 2017



Assertions Regarding Exemption Provisions

We, as members of management of Waveland Capital Partners, LLC ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

Identified Exemption Provision:

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(i).

Statement Regarding Meeting Exemption Provision:

The Company met the identified exemption provision without exception throughout the period ending January 1, 2016 through December 31, 2016.

Waveland Capital Partners, LLC

By:

Michael Greer, President

02/22/2017

(Date)